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March 7, 1988

Lowell Braxton, Administrator
Resource Development and Reclamation Program
Division of Oil, Gas and Mining
State of Utah
355 West North Temple
3 Triad Center - Suite 350
Salt Lake City, UT 84180-1203

and

Richfield District Office
Bureau of Land Management
150 East 900 North
Richfield, Utah 84701

ATTN: Sam Rowley

RECEIVED
MAR 07 1988

DIVISION OF
OIL, GAS & MINING

Re: Mining and Reclamation Plan
Amendment, Sevier Dry Lake
Project

State Reference: M/027/008-87(1)

Federal Reference: 3590
U-37863 - U-37912
(U-050)

Gentlemen:

Reference is made to the recent discussions with personnel of your respective agencies regarding the previously approved Amended Reclamation Plan and Bond Estimate and proposed changes based upon careful review to determine a more appropriate and practical reclamation plan for work heretofore performed and work planned to be performed through 1990. Attached is a statement prepared by the General Manager of Crystal Peak Minerals Corporation, Larry Sower, entitled Changes to Amended Reclamation Plan and Bond Estimate which incorporates the results of that review.

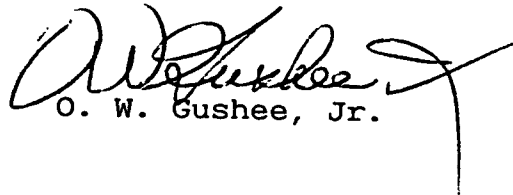
You and other staff members of your agencies have orally indicated approval of the changes and, as you know, we have equipment assembled at the project area for the purpose of proceeding with the 1988 scheduled work as soon as possible. Although we understand you will issue written approval of the

Lowell Braxton and Sam Rowley
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changes to the Amended Reclamation Plan and Bond Estimate, please provide oral confirmation of such approval so that the work may begin promptly.

Should you have any questions or comments in respect to the enclosed statement and the rationale therefore, then please contact either the undersigned, or Larry Sower at (801) 387-5542. Your cooperation is appreciated.

Very truly yours,



O. W. Gushee, Jr.

OWG:ka
1089.05
Enclosure

cc: Dave Henderson, BLM Resource Area, Fillmore, Ut
Randy Heuscher, State BLM Office, Salt Lake City
Larry Sower, Milford

March 4, 1988

M/027/008-87(1)

CRYSTAL PEAK MINERALS CORPORATION
SEVIER LAKE PROJECT
CHANGES TO AMENDED RECLAMATION PLAN AND BOND ESTIMATE

The recently approved Amendment to the Mining and Reclamation Plan dated December 1, 1987, proposed eventual reclamation of the Solar Pond Complex on Sevier Lake as a conventional, worst case program based on means and costs associated with dry ground mining operations. The plans called for the physical leveling of dikes and ditches using heavy equipment. After review and further consideration of both costs and practical effectiveness, it has become obvious that this approach is not appropriate to the actual conditions found on Sevier Lake. A more relevant approach is to use an induced flooding technique to reclaim the pond complex on the termination of operations at the site.

Sevier Lake is a large unvegetated mud flat often covered by episodic water. A soon-to-be published USGS hydrological study of the lake has documented significant river inflow to the lake in 26 out of the last 85 years. Heavy thundershowers and spring snowmelts also cause regular inundations of the lake bed. In addition to the erosion caused by surface water, the lake bed itself is very unstable. Even in the driest of years the surface of the lake stays too muddy for vehicular traffic. Primarily because of subsurface water flows into the lake basin, the surface clays stay saturated with brine to the point that the

surface is virtually semi-fluid. Dikes and ditches built on the lake bed will require routine maintenance to survive the harsh environment.

The proposed change would reclaim the solar pond complex by deliberate flooding using existing pumps and brine collection systems. To maximize the effect of the proposed procedure, the complex will be sequentially flooded using the existing topographical features. The effect of the flooding will be to flatten dikes and fill adjacent ditches. The effectiveness of the action will closely parallel the destruction of similar facilities on the Great Salt Lake caused by recent flooding.

The volume of brine required to complete the reclamation of the 10,000 acre pond system is estimated at 20,000 acre feet. The operation would take six months and would be conducted over the winter months to minimize the amount of brine required to complete the operation. Each pond would be filled sequentially to the point that dikes would fail. Support structures such as weirs and culverts would be removed as the flooding progressed. The volume of brine required is similar to that which the pond system would normally use for an annual operation and would be readily available from the planned brine collection system. The flooding itself would have no effect on land areas beyond the lake bed. The total volume of brine used would be equivalent to about two inches of brine on the total lake bed. All of the area affected is within the boundaries of CPMC's mineral leases.

The estimated costs for the proposed action in 1988 dollars are:

(1)	Pump rehabilitation and pump maintenance @ 25% of fuel costs	3,500
(2)	Fuel costs @ \$.70 gal @ known fuel consumption rates	14,000
(3)	Labor, vehicle and support costs @ \$20/hr @ 6 months	20,000
		<u>37,500</u>
	Contingency @ 10%	<u>3,800</u>
	Subtotal	<u>41,300</u>

The above cost estimate is in substitution for all previous estimates associated with pond system reclamation. The following estimates apply to previously approved reclamation costs for project works not sited on the lake bed (1987 and 1988 Mining Plans):

1)	Borrow Area, Grade and Contour*	1,100
2)	Borrow Area, Revegetate*	6,800
3)	Water Well Plugging*	5,000
4)	Campsite Reclamation	3,500
		<u>16,400</u>
	Contingency @ 10%	<u>1,600</u>
		<u>18,000</u>

* Less reclamation work completed and awaiting site inspection by the State	<u>8,800</u>
Subtotal	<u>9,200</u>

Combined Reclamation Surety Required for CPMC

1987 Construction	9,200
1988 - 1990 Construction	<u>41,300</u>
Total 1988 Dollars	<u>50,500</u>
Total 1990 Dollars(*)	52,900

* Escalation through 1990 @ 2.3%/yr

The total amount of reclamation bonding thus required is \$52,900. This amount is sufficient to ensure adequate reclamation for permitted work to date and foreseeable through 1990. The total amount of the Federal Lease bonds pertaining to lands on which the work is to be performed is \$53,000.